REVISED STATEMENT OF BASIS
FOR PERMIT MODIFICATION #2

SCHNITZER STEEL OF TACOMA
1902 MARINE VIEW DRIVE
TACOMA, WA 98422

PERMIT NO. WA0040347

The purpose of this statement of basis is to explain the need to modify the discharge permit and provides the basis for changes.

I. GENERAL INFORMATION

Permittee: Schnitzer Steel of Tacoma
1902 Marine View Drive
Tacoma, WA 98422

Facility: Schnitzer Steel of Tacoma
1902 Marine View Drive
Tacoma, WA 98422

Discharge Location: Hylebos Waterway/Commencement Bay
Latitude: 47˚22'15" N
Longitude: 122˚16'06"W

II. MODIFICATION

The purpose of this 2nd permit modification is to adopt the revised acute and chronic mixing zones and to establish final effluent limitations for Outfall 001. As required in the permit, a Mixing Zone Study Plan and the consequent Mixing Zone Study has been completed and approved by Ecology. The new mixing zones' dilution factors were approved for the acute and chronic mixing zones as being 19 and 78, respectively. The previous acute and chronic mixing zones' dilution factors were 94 and 242, respectively. The description of the mixing zones were revised to describe the new mixing zones' physical dimensions.

The water quality analysis for the facility was revised by re-running the "REASPOT" spreadsheet and the "LIMIT" spreadsheet for copper, lead, zinc, and total PCBs in the TSDCalc.xls Microsoft Excel Workbook. The "REASPOT" spreadsheet showed that only total PCBs had a reasonable potential to exceed water quality criteria using the revised dilution factors and the interim effluent limitations issued in the permit. This conclusion requires using the "LIMIT" spreadsheet to re-define what the appropriate total PCBs limitation should be. The "LIMIT" spreadsheet evaluation recommended a total PCBs average monthly (AVM) limit of 2.6 µg/L and a maximum daily (MXD) limit of 3.8 µg/L. The previous total PCBs limits were 5 µg/L for AVM and 7 µg/L for MXD. Page 6 of the permit was modified to lower the total PCBs limits in accordance with the most current water quality evaluations.

The analysis shows that all of the other parameter's interim limitations are already more conservative and will be retained. These other more conservative limitations were previously determined based on performance of the treatment system, and best management practices

already implemented at the facility. In the absence of an industry-wide AKART study in Washington State, these performance-based limitations define AKART for Schnitzer Steel on an individual facility basis.

Finally, mercury and PCBs were evaluated based on human health calculations. These calculations show that "no limit" is required based on human health criteria.

This Statement of Basis will serve as an amendment to the Fact Sheet and Permit.